



Georgia TCAP Revolving Loan Fund Q&A

March 24, 2016

1. Does the 1-to-1 match have to be on the CDFI's balance sheet? Will unrestricted net income be allowed to be used for the leveraged match? (Treasury allows this for the Financial Allocations.)

Unrestricted net income will be eligible as matching funds. To ensure that individual CDFIs or CDFI teams applying under the DCA RFQ have a level of solvency to undertake the pilot, DCA will review the percentage of unrestricted net income being pledged as matching funds as indicated on the applicant's balance sheet. Therefore, if awarded, DCA funds should not make up more than 50% of the value of the applicant's funds.

2. Could a Letter of Intent from another group, such as a local government or foundation, suffice as leveraging? Or, may "other federal funding" be used for the leveraged match (HOME, CDFI – FA, etc.)?

DCA will consider leveraging in three subsequent and descending layers. First, the 1-to-1 match must be funds available as indicated in Q&A Question 1. This establishes basic solvency. Second, DCA will consider any commitment of funds—either from within the team or from other sources—to determine the guaranteed level of leveraging available for the TCAP funds. Third, DCA will consider formal plans for further leveraging of the funds. While these are speculative, DCA recognizes that firm commitments at this stage may be difficult and will consider sophisticated, realistic plans for further leveraging.

3. Would a CDFI be able to use these funds (TCAP) for a Low-Income Housing Tax Credit project's construction loan? What if the CDFI has a wholly owned subsidiary as a minor member in the General Partnership with an opportunity to purchase the property at the end of the affordability period?

Applicants may propose any program that supports the construction of affordable housing. However, all proposed uses of the Fund's monies must meet the requirements laid out in the RFQ and work within DCA's guiding priorities outlined in the [TCAP Statement of Values](#). This includes DCA value of "pursuing unique, innovative uses of TCAP funds that address housing needs outside the scope of existing DCA housing programs." It is the responsibility of the applicant to demonstrate how funds used in conjunction with existing DCA programs serve community and programmatic needs not met under current program structures.

4. The money will come through the lender as a loan to the borrower, correct?

Yes, the intent of the fund is that DCA would provide the lender with the funds and the lender would make loans directly to the borrower.

5. How would the funds be disbursed? Per project? Lump sum to a CDFI?

Initially, funds will likely be disbursed on a per project basis, as funds coming out from DCA would start the construction clock of 12-24 months.

6. Also, regarding the 80% of AMI target, is that 80% of AMI for all units or a prorated number?

At this time, DCA would consider allowing the “prorating” of TCAP units. This decision would be finalized in program development with selected CDFIs.

7. Is commercial or mixed use eligible?

At this time, DCA would consider allowing mixed-use developments. This decision would be finalized in program development with selected CDFIs.